

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BUREAU OF LOAN AGENCIES

FOR THE

Year Ended December 31, 1958

MASS. DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKS AND LOAN AGENCIES

EDWARD A. COUNIHAN, III

COMMISSIONER OF BANKS



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The Commonwealth of Massachusetts

STATE HOUSE, BOSTON

BUREAU OF LOAN AGENCIES

FOURTH FLOOR, 150 CAUSEWAY STREET, BOSTON

ANNUAL REPORT FOR YEAR ENDED DECEMBER 31, 1958

(Pursuant to provisions of Section 98 of General Laws (Ter. Ed.)
Chapter 140)

MASS OFFICIALS

*To the Honorable Senate and House of Representatives
of the Commonwealth of Massachusetts:*

As of December 31, 1958 there were three hundred and sixteen small loan licenses outstanding:

In the year just ended 154,172 loans amounting to \$29,690,083.88 were made. These figures represent a decrease of 26,959 in the number of loans made and \$5,716,996.94 in the amount of loans made during the previous twelve month period. With respect to the loans made of \$100 or less which are included in the foregoing figures, the decrease was 2,368 in number and \$286,600.33 as to amount. On December 31, 1958 there were 125,077 loans outstanding with a book value of \$18,394,478.96.

Gross income for the period totaled \$4,296,444.05 of which \$61,105.32 represented recoveries on loans previously charged off. Operating expenses aggregating \$3,610,949.41 include \$494,233.82 of home office expenses; charge-offs on bad debts amounting to \$193,014.24 and additions of \$449,019.22 to valuation reserves combine to make an expense total of \$4,252,982.87 which, deducted from gross income, leaves a balance of \$43,461.18 representing net earnings before deductions of interest paid on borrowed funds.

The above statements are based on figures compiled from annual reports to the Supervisor of Loan Agencies as represented by all licensed lenders and are tested by accountants of this Bureau by examination of the original records and by statistical comparisons.

All common assets, liability and expense accounts are allocated on a formula established by this Bureau.

Respectfully submitted,

MARTIN J. HANLEY

*Supervisor of Loan Agencies
and Deputy Commissioner*

Approved:

EDWARD A. COUNIHAN, III
Commissioner of Banks

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Exhibit A

COMPOSITE STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 1958
Small Loan Business of \$300.00 and Less

ASSETS AND LIABILITIES		Licensed Agencies 316
304 Annual Reports		
<i>Assets</i>		
Cash in Office and in Banks		\$ 668,418.85
Loans Receivable of \$300 or Less		18,394,478.96
Real Estate (Less-Accumulated Depreciation-Buildings)		42,600.51
Furniture, Fixtures, Equipment and Automobiles (Less-Accumulated Depreciation)		322,977.66
Deferred Charges and Prepaid Expenses		64,041.08
Organization and Development Expense		110,161.63
Cost of Financing		2,544.83
Prepaid Expense on Accounts Purchased		22,061.62
Other Assets:		
(a) Miscellaneous Accounts Receivable		91,347.22
(b) Accrued Interest Receivable		74,914.22
(c) Investments		193,713.89
(d) Miscellaneous		77,519.00
Total Assets		<u>\$20,064,779.47</u>
Home Office Assets Apportioned to Branches in Massachusetts		\$2,673,486.61
<i>Liabilities and Capital</i>		
Accounts and Notes Payable:		
(a) Banks		\$ 391,862.87
(b) Due to Parent Company or Affiliates		5,279,358.29
(c) Other Notes and Accounts		759,100.04
Bonds		235,572.70
Treasury Certificates		469,426.02
Other Liabilities:		
(a) Accrued Expenses		42,442.90
(b) Unearned Charges
(c) Other		7,496.61
Valuation Reserves:		
(a) Bad Debts		611,286.81
(b) Purchased Accounts (Face Value Less Purchase Price)		21,387.89
(c) Other		6,035.32
Expense Reserves:		
(a) Taxes		145,677.66
(b) Other		20,709.68
Branch Office Capital (Home Office Control)		9,371,819.89
Net Worth (If Individual or Partnership)		27,071.36
Capital Stock (if Corporation):		
(a) Preferred		559,560.43
(b) Common		1,174,304.57
Appropriated Surplus or Capital Reserves		32,897.82
Additional Paid-in Capital		510,161.99
Retained Earnings		398,606.62
Total Liabilities and Capital		<u>\$20,064,779.47</u>

Exhibit B

COMPOSITE STATEMENT OF PROFIT AND LOSS FOR THE YEAR
ENDED DECEMBER 31, 1958
Small Loan Business of \$300 or Less

304 Annual Reports

<i>Gross Income Derived From Small Loan Business</i>		
Charges on Loans	\$4,228,619.69	
Fees Collected (When Authorized)		
Collection on Accounts Previously Charged Off	61,105.32	
Other Income	6,719.04	
Total Gross Income Derived From Small Loan Business		\$4,296,444.05
<i>Expenses of Conducting Small Loan Business in Massachusetts</i>		
Advertising	\$ 255,020.66	
Auditing	17,127.01	
Bad Debts:		
(a) Charged Off	193,014.24	
(b) Addition to Reserve	449,019.22	
Depreciation of Furniture, Fixtures, Equipment and Automobiles	60,690.86	
Insurance and Fidelity Bonds	24,274.46	
Legal Fees and Disbursements	56,141.44	
License Fees	83,968.71	
Postage and Express	55,343.62	
Printing, Stationery and Supplies	54,217.39	
Recording and Acknowledging Fees	2,319.69	
Rent, Heat, Light and Janitor Service	254,151.31	
Salaries	1,532,681.05	
Taxes (Excluding Federal and State Taxes on Income):		
(a) State Income	38,632.54	
(b) Payroll	43,628.97	
(c) State and Local	18,013.84	
(d) Miscellaneous	6.73	
Telephone and Telegraph	161,720.21	
Travel, Automobile Expenses and Allowances	85,711.85	
Other Expenses:		
(a) Bookkeeping and Corporation Services	40,033.24	
(b) Dues and Subscriptions	36,743.92	
(c) Credit Reports	32,428.03	
(d) Pension Fund Contribution	38,661.49	
(e) Miscellaneous	130,120.31	3,663,670.79
<i>Home Office Expenses Allocated to Branches in Massachusetts</i>		
Advertising	\$ 37,376.94	
Auditing	23,906.94	
Bad Debts:		
(a) Charged Off		
(b) Addition to Reserve	3,008.84	
Depreciation of Furniture, Fixtures, Equipment and Automobiles	6,971.89	
Insurance and Fidelity Bonds	13,886.38	
Legal Fees and Disbursements	28,486.68	
License Fees	576.68	
Postage and Express	4,943.00	
Printing, Stationery and Supplies	29,499.01	
Recording and Acknowledging Fees	259.74	
Rent, Heat, Light and Janitor Service	20,164.61	
Salaries	153,466.58	
Taxes (Excluding Federal and State Taxes on Income):		
(a) State Income	888.02	
(b) Payroll	4,899.35	
(c) State and Local	12,775.51	
(d) Miscellaneous	158.52	
Telephone and Telegraph	5,432.29	
Travel, Automobile Expenses and Allowances	23,097.96	
Other Expenses:		
(a) Bookkeeping and Corporation Services	18,959.52	
(b) Dues and Subscriptions	1,648.95	
(c) Credit Reports	419.91	
(d) Pension Fund Contribution	21,603.85	
(e) Miscellaneous	81,802.65	494,233.82
Total Expenses Before Federal Income Taxes and Cost of Borrowed Funds		\$4,157,904.61
Federal Taxes on Income		95,078.26
Total Expenses After Income Taxes, but Before Cost of Borrowed Funds		\$4,252,982.87
Net Earnings After Income Taxes, but Before Cost of Borrowed Funds		43,461.18
Cost of Borrowed Funds		675,265.41
Net Earnings After Income Taxes and Cost of Borrowed Funds		(631,804.23)

Exhibit C

ANALYSIS OF LOANS BY SIZE

304 Annual Reports							
Loans Made During the Year (Loans of \$300 or Less):							
(a)	(b)	(c)	(d)	Number	%	Amount	%
Loans of \$25.00 or Less	.	.	.	203	.13	\$ 4,700.85	.02
Loans of 25.01 to \$50.00	.	.	.	3,544	2.30	160,247.66	.54
Loans of 50.01 to 100.00	.	.	.	15,485	10.04	1,271,616.36	4.28
Loans of 100.01 to 150.00	.	.	.	32,672	21.19	4,107,110.17	13.83
Loans of 150.01 to 200.00	.	.	.	29,607	19.21	5,284,185.62	17.80
Loans of 200.01 to 300.00	.	.	.	72,661	47.13	18,862,223.22	63.53
Total Loans of \$300 or Less	.	.	.	154,172	100.00%	\$29,690,083.88	100.00%

Exhibit D

ANALYSIS OF LOANS BY TYPES OF SECURITY

304 Annual Reports							
Loans Made During the Year (Loans of \$300 or Less):							
(a)	(b)	(c)	(d)	Number	%	Amount	%
Chattel Mortgages on Household Goods	.	.	.	32,066	20.80	\$ 7,047,546.17	23.74
Automobiles	.	.	.	5,967	3.87	1,207,615.72	4.07
Other Chattels	.	.	.	1,501	.97	265,298.15	.89
Unsecured Notes	.	.	.	107,009	69.40	19,662,570.69	66.22
Endorsed and/or Co-maker Notes	.	.	.	7,459	4.84	1,469,592.89	4.95
Wage Assignments	.	.	.	5	.01	677.32	.01
Other Considerations	.	.	.	165	.11	36,782.94	.12
Total	.	.	.	154,172	100.00%	\$29,690,083.88	100.00%

Exhibit E

SMALL LOANS MADE BY ALL LENDERS UNDER SUPERVISION FOR THE LAST FIVE YEARS

304 Annual Reports							
				1955		1956	
				1957		1958	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
217,756	\$41,799,884.04	203,692	\$39,578,695.07	196,827	\$38,422,569.28	154,172	\$29,690,083.88

Exhibit F

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 1958
Small Loans, Large Loans and Other Business Conducted in Massachusetts

ASSETS AND LIABILITIES	
304 Annual Reports	
<i>Assets</i>	
Cash in Office and in Banks	\$ 3,527,875.58
Loans Receivable	154,519,453.79
Real Estate (Less-Accumulated Depreciation-Buildings)	199,719.62
Furniture, Fixtures, Equipment and Automobiles (Less-Accumulated Depreciation)	1,337,024.92
Deferred Charges and Prepaid Expenses	634,675.82
Organization and Development Expense	424,995.80
Cost of Financing	10,429.63
Prepaid Expense on Accounts Purchased	101,628.80
Other Assets:	
(a) Miscellaneous Accounts Receivable	625,164.63
(b) Accrued Interest Receivable	163,708.12
(c) Investments	4,142,261.86
(d) Miscellaneous	335,563.82
Total Assets	<u>\$166,022,502.39</u>
Home Office Assets Apportioned to Branches in Massachusetts	
	\$11,373,832.14
<i>Liabilities and Capital</i>	
Accounts and Notes Payable:	
(a) Banks	\$ 9,871,804.23
(b) Due to Parent Company or Affiliates	42,754,941.64
(c) Other Notes and Accounts	4,931,070.45
Bonds	4,104,795.16
Treasury Certificates	2,140,485.00
Other Liabilities:	
(a) Accrued Expenses	320,840.64
(b) Unearned Charges	19,590,915.32
(c) Other	54,270.95
Valuation Reserves:	
(a) Bad Debts	4,010,719.52
(b) Purchased Accounts (Face Value Less Purchase Price)	96,243.23
(c) Other	527,254.30
Expense Reserves:	
(a) Taxes	1,284,574.94
(b) Other	118,224.77
Branch Office Capital (Home Office Control)	52,487,610.66
Net Worth (If Individual or Partnership)	186,193.03
Capital Stock (If Corporation):	
(a) Preferred	2,478,676.80
(b) Common	8,493,698.92
Appropriated Surplus or Capital Reserves	639,763.46
Additional Paid-in Capital	3,288,592.98
Retained Earnings	8,641,826.39
Total Liabilities and Capital	<u>\$166,022,502.39</u>

Exhibit G

CONSOLIDATED STATEMENT OF EXPENSES, NOT INCLUDING COST OF BORROWED FUNDS OR FEDERAL INCOME TAXES FOR THE YEAR ENDED DECEMBER 31, 1958

Small Loan, Large Loan and Other Business Conducted in Massachusetts

304 Annual Reports	
Expense of Conducting Business in Massachusetts:	
Advertising	\$945,321.01
Auditing	85,932.70
Bad Debts:	
(a) Charged Off	566,218.85
(b) Addition to Reserve	2,909,731.70
Depreciation of Furniture, Fixtures, Equipment and Automobiles	266,248.85
Insurance and Fidelity Bonds	118,157.32
Legal Fees and Disbursements	264,190.96
License Fees	85,201.41
Postage and Express	238,345.44
Printing, Stationery and Supplies	234,668.77
Recording and Acknowledging Fees	18,697.10
Rent, Heat, Light and Janitor Service	1,020,634.54
Salaries	6,494,789.17
Taxes (Excluding Federal and State Taxes on Income):	
(a) State Income	259,555.18
(b) Payroll	188,953.76
(c) State and Local	84,579.59
(d) Miscellaneous	10.78
Telephone and Telegraph	709,134.63
Travel, Automobile Expenses and Allowances	397,803.15
Other Expenses:	
(a) Bookkeeping and Corporation Services	136,814.14
(b) Dues and Subscriptions	130,288.96
(c) Credit Reports	148,729.77
(d) Pension Fund Contribution	197,211.97
(e) Miscellaneous	632,697.72
	\$16,133,917.47
Home Office Expenses Allocated to Branches in Massachusetts:	
Advertising	\$144,140.59
Auditing	94,312.43
Bad Debts:	
(a) Charged Off	19,086.68
(b) Addition to Reserve	28,666.12
Depreciation of Furniture, Fixtures, Equipment and Automobiles	52,232.85
Insurance and Fidelity Bonds	103,059.37
Legal Fees and Disbursements	576.68
License Fees	23,264.52
Postage and Express	113,760.01
Printing, Stationery and Supplies	1,430.00
Recording and Acknowledging Fees	84,129.56
Rent, Heat, Light and Janitor Service	659,001.32
Salaries	
Taxes (Excluding Federal and State Taxes on Income):	
(a) State Income	10,780.34
(b) Payroll	22,736.38
(c) State and Local	67,435.70
(d) Miscellaneous	479.82
Telephone and Telegraph	20,784.39
Travel, Automobile Expenses and Allowances	95,003.52
Other Expenses:	
(a) Bookkeeping and Corporation Services	78,491.89
(b) Dues and Subscriptions	(836.38)
(c) Credit Reports	1,665.52
(d) Pension Fund Contribution	77,208.65
(e) Miscellaneous	334,117.03
	2,031,526.99
Total Expenses Before Income Taxes and Cost of Borrowed Funds	\$18,165,444.46